

**UNIFIED SCHOOL DISTRICT NO. 395
LACROSSE, KANSAS**

Primary Government Financial Statements
With Independent Auditors' Report

For the Year Ended June 30, 2011

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Primary Government Financial Statements with Independent Auditors' Report
For the Year Ended June 30, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 395 LaCrosse, Kansas
LaCrosse, Kansas

We have audited the accompanying primary government financial statements of **Unified School District No. 395 LaCrosse, Kansas**, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of **Unified School District No. 395 LaCrosse, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component unit would have been reported as \$89,894 for the Unified School District No. 395 School Foundation for Educational Excellence.

As described more fully in Note 1, **Unified School District No. 395 LaCrosse, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 395 LaCrosse, Kansas**, as of June 30, 2011, or changes in its financial position for the year then ended. Further, **Unified School District No. 395 LaCrosse, Kansas** has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Unified School District No. 395 LaCrosse, Kansas
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In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Unified School District No. 395 LaCrosse, Kansas**, as of June 30, 2011, and their respective cash receipts and disbursements and budgetary results for the year then ended on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball
ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

September 12, 2011

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories							
General Funds							
General Fund	\$ (247,737)	42	2,506,135	2,397,633	(139,193)	27,565	(111,628)
Supplemental General Fund	(19,259)	-	722,389	708,000	(4,870)	-	(4,870)
Special Revenue Funds							
Capital Outlay Fund	694,047	-	139,742	205,025	628,764	142,274	771,038
Driver Training Fund	29,063	-	4,924	3,649	30,338	-	30,338
Food Service Fund	59,986	-	183,482	182,601	60,867	-	60,867
Professional Development Fund	12,101	-	-	2,906	9,195	150	9,345
Summer School Fund	18,093	-	-	3,123	14,970	-	14,970
Special Education Fund	504,945	-	501,753	460,906	545,792	-	545,792
Vocational Education Fund	95,292	-	202,676	144,846	153,122	1,933	155,055
KPERS Special Retirement Contribution Fund	-	-	130,555	130,555	-	-	-
At Risk (K-12) Fund	-	-	240,157	240,157	-	2,028	2,028
Contingency Reserve Fund	269,500	-	-	-	269,500	-	269,500
Textbook Rental Fund	101,743	-	15,960	12,238	105,465	7,723	113,188
Title I Fund	729	-	63,171	62,650	1,250	3,722	4,972
REAP Fund	-	-	18,682	18,682	-	-	-
Title II A - Teacher Quality Fund	-	-	20,209	20,209	-	-	-
Title II D - Education Technology Fund	-	-	214	214	-	-	-
District Activity Funds	16,297	-	66,254	71,435	11,116	-	11,116
Total Primary Government (Excluding Agency Funds)	\$ 1,534,800	42	4,816,303	4,664,829	1,686,316	185,395	1,871,711
Composition of Cash							
Checking Accounts							\$ 85,155
Savings Accounts							608,335
Certificates of Deposit							1,200,000
Total Cash							1,893,490
Agency Funds per Statement 4							(21,779)
Total Primary Government (Excluding Agency Funds)							\$ 1,871,711

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Summary of Expenditures - Actual and Budget

For the Year Ended June 30, 2011

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply With Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Fund Categories						
General Funds						
General Fund	\$ 2,547,620	(149,987)	-	2,397,633	2,397,633	-
Supplemental General Fund	708,000	-	-	708,000	708,000	-
Special Revenue Funds						
Capital Outlay Fund	781,480	-	-	781,480	205,025	(576,455)
Driver Training Fund	30,883	-	-	30,883	3,649	(27,234)
Food Service Fund	276,200	-	-	276,200	182,601	(93,599)
Professional Development Fund	12,101	-	-	12,101	2,906	(9,195)
Summer School Fund	10,235	-	-	10,235	3,123	(7,112)
Special Education Fund	581,155	-	-	581,155	460,906	(120,249)
Vocational Education Fund	161,572	-	-	161,572	144,846	(16,726)
KPERs Special Retirement Contribution Fund	170,835	-	-	170,835	130,555	(40,280)
At Risk (K-12) Fund	266,280	-	-	266,280	240,157	(26,123)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 362,076	364,249	359,689	4,560
Intergovernmental Revenues				
Mineral Severance Tax	7,027	26,537	-	26,537
Equalization Aid	1,631,803	1,708,518	1,707,485	1,033
Federal Aid	115,737	120,084	43,651	76,433
State Aid	289,083	286,747	286,747	-
Total Cash Receipts	2,405,726	2,506,135	2,397,572	108,563
Expenditures				
Instruction	963,512	951,555	1,036,962	(85,407)
Student Support Services	2,803	1,552	2,770	(1,218)
Instructional Support Services	36,287	44,777	36,316	8,461
General Administration	189,975	193,692	183,000	10,692
School Administration	167,231	163,757	168,970	(5,213)
Operation and Maintenance	270,864	254,499	358,029	(103,530)
Vehicle Operating Services	144,597	152,914	144,598	8,316
Operating Transfers	688,500	634,887	616,975	17,912
Adjustment to Comply with Legal Max	-	-	(149,987)	149,987
Total Expenditures and Legal General Fund Budget	2,463,769	2,397,633	2,397,633	-
Cash Receipts Over (Under) Expenditures	(58,043)	108,502		
Unencumbered Cash - Beginning	(189,754)	(247,737)		
Prior Year Cancelled Encumbrances	60	42		
Unencumbered Cash - Ending	\$ (247,737)	(139,193)		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Supplemental General Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 501,357	506,425	498,939	7,486
Intergovernmental Revenues				
Equalization Aid	150,940	215,964	197,753	18,211
Total Cash Receipts	<u>652,297</u>	<u>722,389</u>	<u>696,692</u>	<u>25,697</u>
Expenditures				
Instruction	216,666	292,186	317,829	(25,643)
Operating Transfers	443,334	415,814	390,171	25,643
Total Expenditures and Legal Supplemental General Fund Budget	<u>660,000</u>	<u>708,000</u>	<u>708,000</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	(7,703)	14,389		
Unencumbered Cash - Beginning	<u>(11,556)</u>	<u>(19,259)</u>		
Unencumbered Cash - Ending	<u>\$ (19,259)</u>	<u>(4,870)</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 68,544	70,195	77,907	(7,712)
Other Local Sources				
Interest on Idle Funds	14,025	10,557	-	10,557
Miscellaneous	10,023	4,179	17,341	(13,162)
Operating Transfers	86,701	54,811	-	54,811
Total Cash Receipts	<u>179,293</u>	<u>139,742</u>	<u>95,248</u>	<u>44,494</u>
Expenditures				
Instruction	50,533	49,491	100,000	(50,509)
General Administration	-	344	219,200	(218,856)
School Administration	-	-	50,474	(50,474)
Operations and Maintenance	99,414	140,690	100,000	40,690
Facility Acquisition and Construction	411	14,500	311,806	(297,306)
Total Expenditures	<u>150,358</u>	<u>205,025</u>	<u>781,480</u>	<u>(576,455)</u>
Cash Receipts Over (Under) Expenditures	28,935	(65,283)		
Unencumbered Cash - Beginning	663,397	694,047		
Prior Year Cancelled Encumbrances	<u>1,715</u>	<u>-</u>		
Unencumbered Cash - Ending	<u>\$ 694,047</u>	<u>628,764</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Driver Training Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenues				
State Aid	\$ 1,000	1,924	1,820	104
Other Local Sources				
Student Fees	5,200	3,000	-	3,000
Total Cash Receipts	6,200	4,924	1,820	3,104
Expenditures				
Instruction	3,723	2,468	9,150	(6,682)
Vehicle Operating Services	1,403	1,181	21,733	(20,552)
Total Expenditures	5,126	3,649	30,883	(27,234)
Cash Receipts Over (Under) Expenditures	1,074	1,275		
Unencumbered Cash - Beginning	27,989	29,063		
Unencumbered Cash - Ending	\$ 29,063	30,338		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under (Under)
Cash Receipts				
Intergovernmental Revenues				
State Aid	\$ 1,924	1,806	1,562	244
Federal Aid	82,438	80,265	83,449	(3,184)
Other Local Sources				
Lunch Receipts - Students	48,128	46,216	50,316	(4,100)
Lunch Receipts - Adults	3,411	2,811	3,315	(504)
Operating Transfers	42,324	51,304	77,571	(26,267)
Miscellaneous	639	1,080	-	1,080
Total Cash Receipts	178,864	183,482	216,213	(32,731)
Expenditures				
Food Service Operation	179,962	182,601	276,200	(93,599)
Cash Receipts Over (Under) Expenditures	(1,098)	881		
Unencumbered Cash - Beginning	61,084	59,986		
Unencumbered Cash - Ending	\$ 59,986	60,867		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Professional Development Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ -	-	10,000	(10,000)
Expenditures				
Instruction	5,633	2,906	12,101	(9,195)
Cash Receipts Over (Under) Expenditures	(5,633)	(2,906)		
Unencumbered Cash - Beginning	17,734	12,101		
Unencumbered Cash - Ending	\$ 12,101	9,195		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Parent Education Program Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ -	-	-	-
Expenditures				
Payment to COOP	4,000	-	-	-
Cash Receipts Over (Under) Expenditures	(4,000)	-		
Unencumbered Cash - Beginning	4,000	-		
Unencumbered Cash - Ending	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Summer School Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ -	-	-	-
Expenditures				
Instruction	3,023	3,123	10,235	(7,112)
Cash Receipts Over (Under) Expenditures	(3,023)	(3,123)		
Unencumbered Cash - Beginning	21,116	18,093		
Unencumbered Cash - Ending	\$ 18,093	14,970		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 490,029	501,753	<u>500,792</u>	<u>961</u>
Expenditures				
Instruction	409,553	408,969	408,566	403
Vehicle Operating Services	55,832	51,937	172,589	(120,652)
Total Expenditures	<u>465,385</u>	<u>460,906</u>	<u>581,155</u>	<u>(120,249)</u>
Cash Receipts Over (Under) Expenditures	24,644	40,847		
Unencumbered Cash - Beginning	<u>480,301</u>	<u>504,945</u>		
Unencumbered Cash - Ending	\$ <u>504,945</u>	<u>545,792</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Vocational Education Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 231,413	202,676	<u>134,025</u>	<u>68,651</u>
Expenditures				
Instruction	136,121	144,846	<u>161,572</u>	<u>(16,726)</u>
Cash Receipts Over (Under) Expenditures	95,292	57,830		
Unencumbered Cash - Beginning	-	95,292		
Unencumbered Cash - Ending	\$ <u>95,292</u>	<u>153,122</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
KPERS Special Retirement Contribution Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenues				
State Aid	\$ 148,552	130,555	170,835	(40,280)
Expenditures				
Instruction	115,118	99,222	130,435	(31,213)
Student Support Services	2,679	2,611	3,500	(889)
Instructional Support Services	2,014	2,611	3,000	(389)
General Administration	8,038	7,833	10,000	(2,167)
School Administration	8,288	7,833	9,900	(2,067)
Operations and Maintenance	5,908	5,222	6,000	(778)
Student Transportation Services	617	-	500	(500)
Food Service	5,890	5,223	7,500	(2,277)
Total Expenditures	148,552	130,555	170,835	(40,280)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
At Risk (K-12) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 256,367	240,157	260,780	(20,623)
Miscellaneous	-	-	5,500	(5,500)
Total Cash Receipts	256,367	240,157	<u>266,280</u>	<u>(26,123)</u>
Expenditures				
Instruction	256,367	240,157	<u>266,280</u>	<u>(26,123)</u>
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Contingency Reserve Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	269,500	269,500
Unencumbered Cash - Ending	\$ 269,500	269,500

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Textbook Rental Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Book Rental Fees	\$ 10,200	15,960
Operating Transfers	25,000	-
Total Cash Receipts	35,200	15,960
Expenditures		
Instruction	9,345	12,238
Cash Receipts Over (Under) Expenditures	25,855	3,722
Unencumbered Cash - Beginning	75,888	101,743
Unencumbered Cash - Ending	\$ 101,743	105,465

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Title I Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 66,667	63,171
Expenditures		
Instruction	65,938	62,650
Cash Receipts Over (Under) Expenditures	729	521
Unencumbered Cash - Beginning	-	729
Unencumbered Cash - Ending	\$ 729	1,250

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
REAP Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 30,471	18,682
Expenditures		
Instruction	19,301	18,682
Cash Receipts Over (Under) Expenditures	11,170	-
Unencumbered Cash - Beginning	(11,170)	-
Unencumbered Cash - Ending	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Title II A - Teacher Quality Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 20,256	20,209
Expenditures		
Instruction	20,256	20,209
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Title II D - Education Technology Fund
Statement of Cash Receipts and Expenditures
For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 575	214
Expenditures		
Instruction	575	214
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
ARRA Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 40,509	-
Expenditures		
Instruction	40,509	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
ARRA Title II D Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 1,415	-
Expenditures		
Instruction	1,415	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Agency Funds

Summary of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2011

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
High School				
Class of 2010	\$ 125	-	125	-
Class of 2011	1,766	1,091	2,857	-
Class of 2012	1,843	11,042	11,417	1,468
Class of 2013	1,325	125	143	1,307
Class of 2014	-	2,694	1,418	1,276
FFA	2,954	13,261	13,411	2,804
STUCO	1,183	2,971	2,318	1,836
Spirit Club	59	-	-	59
Leopard Club	2,001	5,252	7,253	-
Speech/Drama	2,010	633	427	2,216
National Honor Society	401	-	-	401
Weight Lifting	1,218	450	945	723
SADD	1,153	1,131	735	1,549
Band	2,996	5,292	6,017	2,271
Chorus	319	107	149	277
Cheerleaders	3,082	8,749	10,038	1,793
Industrial Arts Club	695	102	281	516
Art Club	829	-	57	772
Total High School	23,959	52,900	57,591	19,268
Middle School				
Music Club	409	-	-	409
STUCO	784	784	788	780
NJHS	5	-	-	5
Cheerleaders	1,076	1,541	1,416	1,201
Total Middle School	2,274	2,325	2,204	2,395
Grade School				
STUCO	18	840	742	116
Total	\$ 26,251	56,065	60,537	21,779

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
District Activity Funds
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2011

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Gate Receipts							
High School							
Athletics	\$ 6,972	-	29,578	32,023	4,527	-	4,527
Middle School							
Athletics	2,578	-	2,273	3,193	1,658	-	1,658
Total Gate Receipts	<u>9,550</u>	<u>-</u>	<u>31,851</u>	<u>35,216</u>	<u>6,185</u>	<u>-</u>	<u>6,185</u>
School Projects							
High School							
Prom Party	636	-	537	442	731	-	731
Engineering and Design	783	-	15	15	783	-	783
Entrepreneur	393	-	-	393	-	-	-
Concessions	1,116	-	28,114	28,526	704	-	704
Book Fair	811	-	-	541	270	-	270
Site Council	318	-	-	-	318	-	318
Camp Pflaum	6	-	-	-	6	-	6
Camp Parton	-	-	456	215	241	-	241
Camp Webster	-	-	112	-	112	-	112
Camp Legleiter	-	-	77	43	34	-	34
KS Hlth Fdn. - Stu. N	-	-	400	-	400	-	400
Big/Littles	1,946	-	389	2,032	303	-	303
Total High School	<u>6,009</u>	<u>-</u>	<u>30,100</u>	<u>32,207</u>	<u>3,902</u>	<u>-</u>	<u>3,902</u>
Middle School							
Concessions	329	-	404	-	733	-	733
Grade School							
Book Fair/Accel. Reader	409	-	3,649	3,762	296	-	296
McDonald Grant	-	-	250	250	-	-	-
Total Grade School	<u>409</u>	<u>-</u>	<u>3,899</u>	<u>4,012</u>	<u>296</u>	<u>-</u>	<u>296</u>
Total School Projects	<u>6,747</u>	<u>-</u>	<u>34,403</u>	<u>36,219</u>	<u>4,931</u>	<u>-</u>	<u>4,931</u>
Total District Activity Funds	<u>\$ 16,297</u>	<u>-</u>	<u>66,254</u>	<u>71,435</u>	<u>11,116</u>	<u>-</u>	<u>11,116</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 395 LaCrosse, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The District is a municipal corporation governed by an elected nine-member board. The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The following is a component unit of **Unified School District No. 395 LaCrosse, Kansas**. The District exercises significant influence or accountability based primarily on operational or financial relationships with the District. The component unit is not included in the District's financial statements.

United School District No. 395 School Foundation for Educational Excellence

Unified School District No. 395 School Foundation for Educational Excellence is organized as a nonprofit organization in the State of Kansas for the sole purpose of providing charitable and educational functions to **Unified School District No. 395 LaCrosse, Kansas**. The Board of Trustees of the foundation are the members of the Board of Education of the District. Their financial statements are not included in this report. Contact the District Clerk for information on how to obtain their financial information.

The District is the primary government as defined in GASB #14 and further amended by GASB #39. The School Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2011.

Governmental Fund Categories

General Funds – to account for all financial resources except those required to be reported in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

District Activity Funds – a special revenue fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the board of education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

Fiduciary Fund Categories

Agency Funds – to account for assets held by the District as trustee or agent for others.

Student Activity Funds – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approves the expenditure, not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- a. Preparation of the budget for the succeeding fiscal year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget notice and of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unused budget expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Fund, REAP Fund, Title II A – Teacher Quality Fund, Title II D – Education Technology Fund, ARRA Fund, and ARRA Title II D Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not use peak depository coverage. All deposits were legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits was \$1,893,490 and the bank balance was \$2,195,578. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$498,009 was covered by federal depository insurance and \$1,697,569 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2011.

Compensated Absences

The District's contracts with various employees permit the employees to accumulate various amounts of vacation time and sick leave. The contracts state that accumulated vacation and personal leave must be taken by the end of the contract date or the time will be lost.

The District's policy regarding accrued sick leave is employees who have been employed by the District for 10 or more years as of the 2000 – 2001 contract year and who separate from service due to retirement, work force reduction, disability or death, are to be paid an amount equal to \$50 a day times the number of days accumulated not to exceed 60 days. No accumulated sick leave is paid to employees at separation of service for any other reason. For active employees, the maximum amount of sick leave they can accumulate is 90 days.

Sick Leave Bank – The sick leave bank is voluntary and open to all teachers covered by the negotiated agreement approved by the District. The purpose of the sick leave pool is to allow staff members to contribute unused sick leave to a pool and allow participating members, who have exhausted their accumulated sick leave to draw from the pool and avoid having their pay reduced. The sick leave bank is administered by the Association pursuant to the guidelines it has established. At the end of each regular school year, any excess days a teacher has accumulated beyond 90 days will be placed in the sick leave bank. If the sick leave bank is short of 50 days after excess days are placed in the bank, then all teachers shall contribute one day to the Association sick leave bank. Teachers in the District may voluntarily contribute two additional days to the bank. Days remaining in the bank at the end of the regular school year shall accumulate from year to year to a maximum of 50 days. Teachers shall not be eligible for the sick leave bank until they have depleted their current and accumulated individual sick leave. Use of the sick leave bank is subject to approval by the Association after the teacher becomes eligible.

The total potential liability for sick leave of the District as of June 30, 2011 was approximately \$453,575. This potential liability is shown on the schedule of long-term debt.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Compensation Plan

The District sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

Defined Benefit Pension Plan

Plan Description

The District contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) of covered salary. Member-employee contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. The State contributes 9.17% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. The State of Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009, were \$253,834,044, \$248,468,186, and \$242,277,363, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2011, 2010, and 2009 were \$130,555, \$148,552, and \$143,744, respectively.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the agency funds of the District for special purposes.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reimbursements

The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursement as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

NOTE 2 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 395 LaCrosse, Kansas'** interfund transfers and statutory authority for the year ended June 30, 2011 were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-8803	\$ 54,811
General Fund	Special Education Fund	K.S.A. 72-6420	286,753
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6414a	240,157
General Fund	Vocational Education Fund	K.S.A. 72-6421	53,166
Supplemental General Fund	Special Education Fund	K.S.A. 72-6420	215,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6421	149,510
Supplemental General Fund	Food Service Fund	K.S.A. 72-5119	51,304

NOTE 3 - LITIGATION

Unified School District No. 395 LaCrosse, Kansas is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the District.

NOTE 4 – RISK MANAGEMENT

Unified School District No. 395 LaCrosse, Kansas is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The District has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other Districts in the State to participate in the Kansas Association of School Boards Risk Management Services, a public entity risk pool currently operating as a common risk management and insurance program for 86 participating members.

The District pays an annual premium to the Kansas Association of School Boards Risk Management Services for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Risk Management Services will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards Risk Management Services' management.

The District continues to carry commercial insurance for all other risks of loss, including property, general liability, inland marine, crime, automobile, umbrella, linebacker, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 5 - GRANTS AND SHARED REVENUES

Unified School District No. 395 LaCrosse, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

NOTE 6 – COMPARATIVE DATA

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **Unified School District No. 395 LaCrosse, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

NOTE 7 - OPERATING LEASES

On May 4, 2009, **Unified School District No. 395 LaCrosse, Kansas** entered into a five year operating lease agreement with Durham School Services, L.P. for the use of school buses. Operating leases do not give rise to property rights or lease obligations and therefore, the result of this lease agreement is not reflected in the District's financial statements. Future scheduled payments are as follows:

Year	Amount
2012	\$ 125,864
2013	129,640
2014	133,529
Total	\$ 389,033

On August 24, 2009, the District entered into a 60 month operating lease agreement with Dealers First Financial, L.L.C. for the use of 2 copiers. Operating leases do not give rise to property rights or lease obligations and therefore, the result of this lease agreement is not reflected in the District's financial statements. Future scheduled payments are as follows:

Year	Amount
2012	\$ 5,160
2013	5,160
2014	5,160
2015	860
Total	\$ 16,340

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 7 - OPERATING LEASES (continued)

On July 19, 2010, the District entered into a 60 month operating lease agreement with Dealers First Financial, L.L.C. for the use of 1 copier. Operating leases do not give rise to property rights or lease obligations and therefore, the result of this lease agreement is not reflected in the District's financial statements. Future scheduled payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 2,748
2013	2,748
2014	2,748
2015	2,748
2016	229
Total	<u>\$ 11,221</u>

On June 20, 2011, the District entered into a 60 month operating lease agreement with Dealers First Financial, L.L.C. for the use of 1 copier. Operating leases do not give rise to property rights or lease obligations and therefore, the result of this lease agreement is not reflected in the District's financial statements. Future scheduled payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 2,040
2013	2,040
2014	2,040
2015	2,040
2016	1,870
Total	<u>\$ 10,030</u>

NOTE 8 - COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. Pages 35 and 36 show the revenue as required by these statutes.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 8 - COMPLIANCE WITH K.S.A. 72-6417 (d) AND K.S.A.72-6434 (d) (continued)

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
General Fund
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 364,249	359,689	4,560
Intergovernmental Revenues			
Mineral SeveranceTax	26,537	-	26,537
Equalization Aid	1,599,955	1,707,485	(107,530)
Federal Aid	120,084	43,651	76,433
State Aid	286,747	286,747	-
Total Statutory Revenues	<u>2,397,572</u>	<u>2,397,572</u>	<u>-</u>
Expenditures			
Instruction	951,555	1,036,962	(85,407)
Student Support Services	1,552	2,770	(1,218)
Instructional Support Services	44,777	36,316	8,461
General Administration	193,692	183,000	10,692
School Administration	163,757	168,970	(5,213)
Operation and Maintenance	254,499	358,029	(103,530)
Vehicle Operating Services	152,914	144,598	8,316
Operating Transfers	634,887	616,975	17,912
Adjustment to Comply with Legal Max	-	(149,987)	149,987
Total Expenditures and Legal General Fund Budget	<u>2,397,633</u>	<u>2,397,633</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	(61)		
Modified Unencumbered Cash - Beginning	61		
Prior Year Cancelled Encumbrances	42		
Modified Unencumbered Cash - Ending	<u>\$ 42</u>		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2011

NOTE 8 - COMPLIANCE WITH K.S.A. 72-6417 (d) AND K.S.A.72-6434 (d) (continued)

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Supplemental General Fund
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 506,425	498,939	7,486
Intergovernmental Revenues			
Equalization Aid	<u>197,108</u>	<u>197,753</u>	<u>(645)</u>
Total Statutory Revenues	<u>703,533</u>	<u>696,692</u>	<u>6,841</u>
Expenditures			
Instruction	<u>292,186</u>	317,829	25,643
Operating Transfers	<u>415,814</u>	<u>390,171</u>	<u>(25,643)</u>
Total Expenditures and Legal Supplemental General Fund Budget	<u>708,000</u>	<u>708,000</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	(4,467)		
Modified Unencumbered Cash - Beginning	<u>11,113</u>		
Modified Unencumbered Cash - Ending	<u>\$ 6,646</u>		